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Forbes

"YEA, THOUGH WE WALK THROUGH THE VALLEY..."

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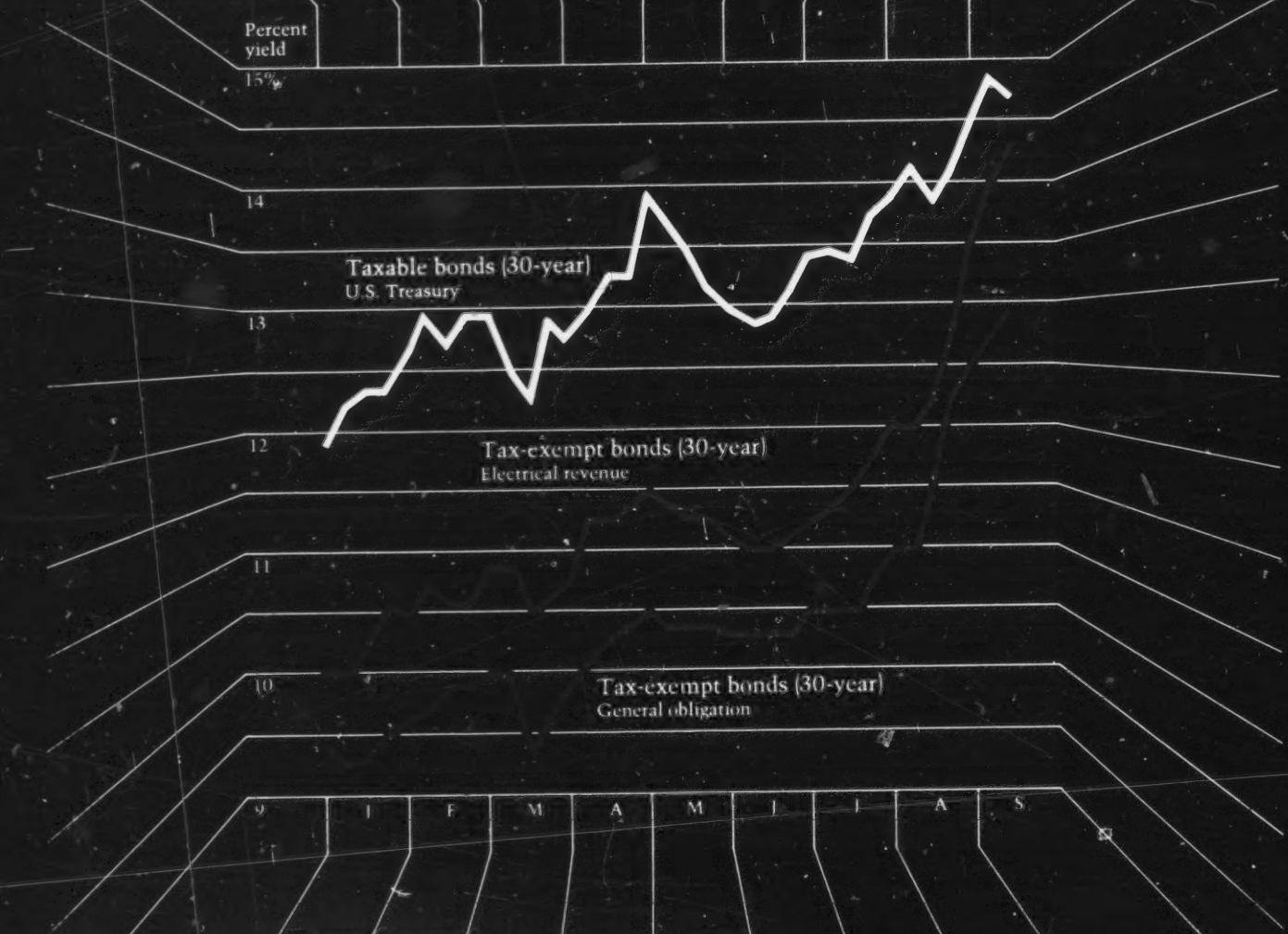

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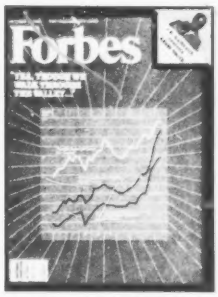

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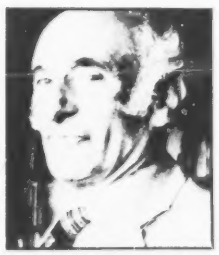

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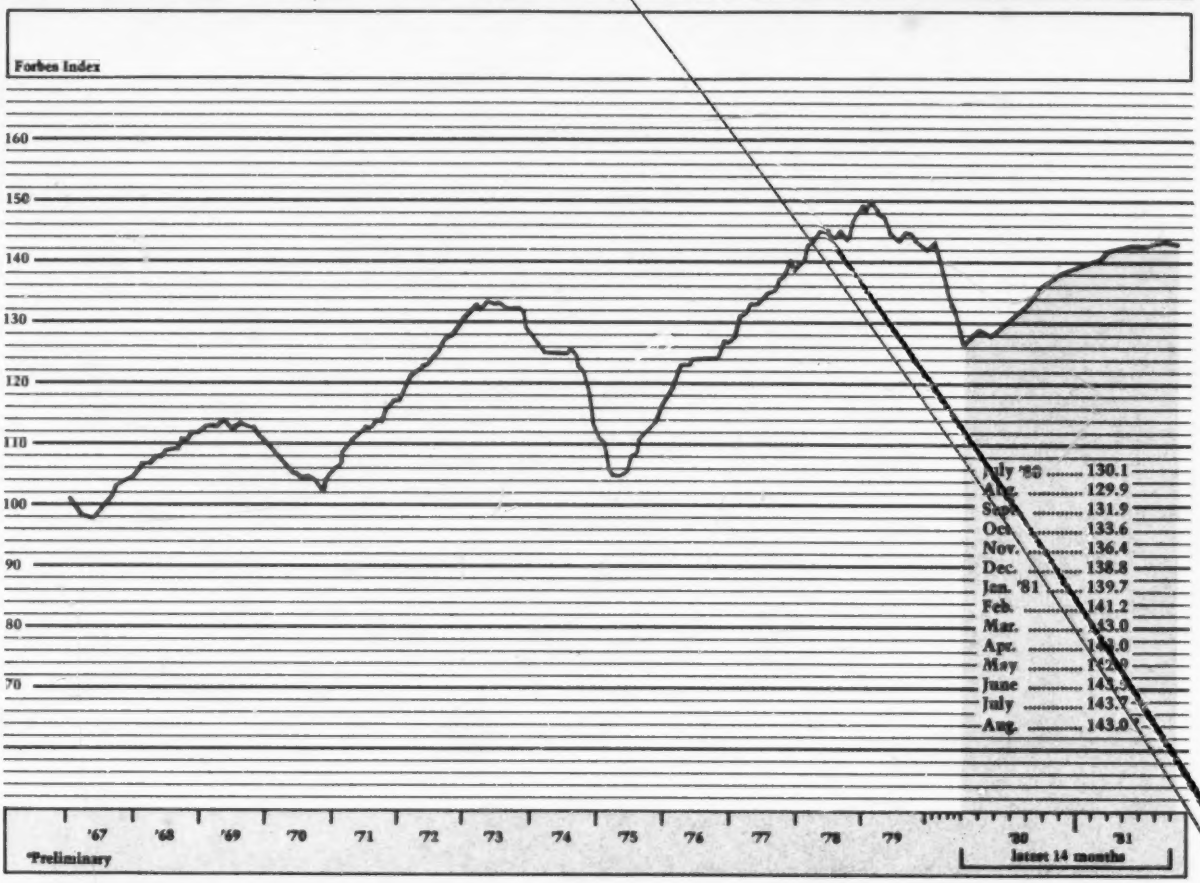
The Forbes Index



The Forbes Index Components

Down—but maybe not out. Preliminary figures indicate that the latest Forbes Index is off by 0.5%. If this figure holds, it will mark the biggest decline since June 1980. A whopping 14.5% decrease in housing starts and a minor drop in industrial production are responsible for the turnaround. The decline was moderated by slight gains in personal income and retail sales. But the Index may improve if other components show strong advances.

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements:

Total industrial production

New claims for unemployment compensation

The cost of services relative to all consumer prices

The level of new orders for durable goods compared with manufacturers' inventories

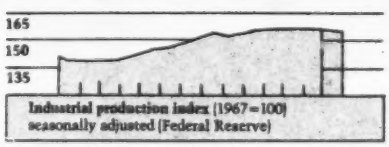
Total retail sales

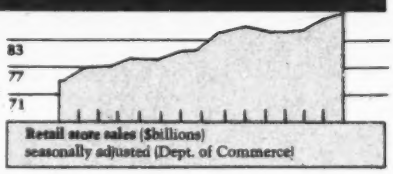
New housing starts

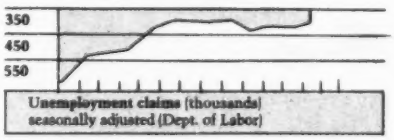
Personal income

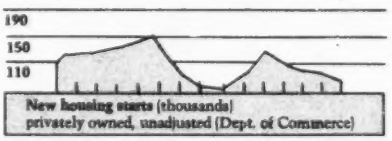
The change in the amount of consumer installment debt outstanding

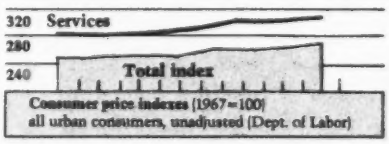
To measure these eight elements, Forbes monitors 11 series of U.S. government data. The last 14 months' data for each series is presented at right.

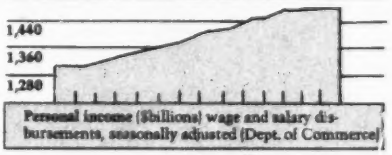


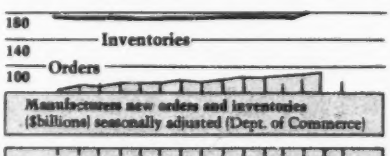


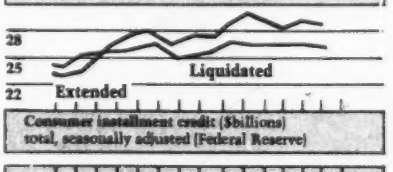












The All Savers certificate is supposed to be a cheap way to help savings and loans. But the numbers tell a different story.

The case of the curious statistic

By Allan Sloan
with Laura Rohmann

THERE ARE THREE kinds of lies: lies, damned lies and statistics," runs the bromide. The congressmen who voted to approve our newest financial boondoggle, the All Savers certificate, would have done well to ponder that saying before they threw billions of tax dollars at the savings and loan industry's problem without understanding what they were buying with our money.

On the surface, the All Savers certificates, which went into effect Oct. 1, seem harmless enough. They give savers tax-exempt interest at 70% of the yield of one-year Treasury bills. They're supposed to encourage saving, which is all the rage these days. The rationale for creating yet another tax-exempt security *(see cover story, p. 151)* is that All Savers would, at relatively modest cost, channel hundreds of billions of cheap dollars into S&Ls and thus stimulate the stricken housing industry.

But if hundreds of billions of dollars flow into All Savers certificates—which won't happen unless the law is changed—the tax loss will be far greater than Congress thought. If a relatively small amount of money flows into the accounts, it won't help S&Ls much. In any event, it will cost the government about $4 in lost tax revenues for each dollar of benefits for the S&Ls.

Our tale begins with three financial projections made last summer. Each was the product of brainy people from prestigious outfits and each forecast roughly equal tax losses from the All Savers program: $3.3 billion by the staff of Congress' Joint Committee on Taxation, $4.1 billion by Wharton Econometric Forecasting Associates (hired by the U.S. League of Savings Associations) and $5.2 billion by the Treasury. That all looked reasonable compared with the roughly $2 billion that could be saved by reducing the $200 single return/$400 joint return interest and dividend exclusion to $100/$200 for dividends only. The exclusion was cut, and All Savers roared through.

All Savers permit S&Ls, banks, savings banks and credit unions to issue one-year certificates from Oct. 1 through the end of 1982. Up to $1,000 of All Savers interest ($2,000 for a married couple filing a joint return) is tax-exempt. The Treasury takes a beating on the deal because All Savers move money from accounts that produce taxable income. Switching $5,000 from a 15% bank money market certificate into an All Savers certificate would take $750 from taxable revenue. If the taxpayer is in the 43% bracket, that means $322.50 of lost revenue.

The size of the revenue loss depends on how much money goes into All Savers, how much taxable interest it was earning where it was and the tax bracket of the investors buying the certificates. Because the Joint Committee on Taxation, the Treasury and Wharton Econometric all produced roughly the same tax-loss numbers, everyone was pretty happy with them.

They shouldn't have been. The Wharton study's assumptions differed greatly from those in the other two. The Joint Committee on Taxation assumed $65 billion would be put into All Savers, the Treasury assumed $120 billion and Wharton an astonishing $238 billion. The Wharton number, which the S&L lobbyists now round up to $250 billion, somehow managed to produce a tax loss smaller than the Treasury's.

Wharton assumes that the $238 billion of All Savers money would be earning 11% interest were it not in tax-exempt certificates. That 11%, a low number, would have produced taxable interest revenues of $26.2 billion. Since another Wharton assumption was that the people holding All Savers are in a marginal tax bracket averaging 40%, that would mean a tax loss of $10.5 billion. That's quite a bit different from $4.1 billion. Nariman Behravesh, the Wharton econometrician in charge of this study, passes the buck. "We only did computations," he says. "All those assumptions and the $4 billion came from Jim Christian, [head economist at the U.S. League of Savings Associations]."

Christian referred our multiplication question to Jim Kaden, the man who prepared the league's computations. Kaden conceded that the $4.1 billion tax loss was for only one year. But All Savers, some of which will mature as late as 1983, obviously involve three years of lost taxes: 1981, 1982 and 1983.

Another study, by Data Resources, a private econometric firm, never surfaced during the congressional debate. It estimates that $237 billion—just $1 billion less than Wharton's number—will go into All Savers. But it pegs the tax loss at $14 billion, more than triple Wharton's number.

Why quibble over a difference of a

What's a few billion among friends?

These are estimates of how much money will flow into All Savers accounts over the next 15 months, along with the tax loss to the Treasury generated by switching taxable interest income into tax-exempt deposits. Notice the variation—and the fact that the League of Savings Associations somehow manages to project twice as much in deposits as the Treasury does, while anticipating a smaller tax loss.

	Amount (billion)	Rate earned pre-All Savers	Tax loss (billion)
Treasury	$120	11.4%	$ 5.2
Joint Taxation Committee	65	12	3.3
Data Resources Inc	237	12.5	14.0
US League of Savings Assns	238	11	4.1

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mere $10 billion? Wouldn't $238 billion of relatively cheap deposits help the S&L industry? Wouldn't that stimulate housing and do wonderful things? Perhaps. But the way the law is written there seems little chance that anything like $238 billion will find its way into those accounts. And even if it does, it's doubtful more than half the money will reach S&Ls.

Consider these numbers. The one-year certificates, advertised for people in the 30%-and-up federal tax brackets, allow a person to earn only $1,000 tax-free. At the rate of 12.61% set for the first batch of All Savers, an investment of $7,930 produces the maximum tax-exempt interest. And the $1,000 is a once-in-a-lifetime—not once-a-year—exclusion. If no one invests more than $8,000 in a certificate—corporations and businesses can't buy them—it would take almost 30 million customers to get to $238 billion.

No one knows how many people are in the 30%-and-above tax bracket, which requires a taxable income after deductions of $15,000 for singles and $24,600 for a joint return. The best number available seems to be an estimate by Tom Bloch of H&R Block, the tax return preparation company. He estimates there were 33 million people (counting joint returns as two) in those brackets last year. Throw in bracket creep, and call it 40 million this year, 45 million next year. Even with those generous assumptions, it takes two-thirds of the potential customers putting up $8,000 each to reach $238 billion.

Some analysts have come up with figures similar to $238 billion, saying that because money-market certificates became 20% of S&L deposits virtually overnight, All Savers could do the same. But there are no limits on the amount of money-market certificates a person can hold.

No one is expecting All Savers to draw money out from under people's mattresses. The assumption is that the new certificates will lure funds from other accounts. To make that easier, regulators are allowing banks and S&Ls to convert six-month money market certificates to All Savers without charging prepayment penalties. But do two-thirds of the single people in the $15,000 bracket have $8,000 squirreled away somewhere? If they all don't and if every one of them doesn't switch to an All Savers, then Congress will have to change the law if it wants to generate hundreds of billions of All Savers deposits.

No one, of course, knows what the interest rate on All Savers certificates will average. New ones will be established every month, based on the current one-year T-bill rate. But for S&Ls to benefit, All Savers will have to cost substantially less than the funds they already have on deposit. The S&L industry and the Treasury project rates of 11% and 11.4%, respectively, being earned on money that will flow to All Savers. But the All Savers rate for the first batch was 12.61%—a negative spread. If you figure that the All Savers money will replace 15% six-month certificates or 18% jumbo certificates of deposit, the S&Ls benefit. But the loss to the Treasury rises like a shot.

Assume, for the sake of discussion, that $238 billion of All Savers certificates are created, half going to S&Ls, the rest going to banks and credit unions. If the $238 billion would otherwise be earning 15% for people in the 40% average bracket, that's $14.3

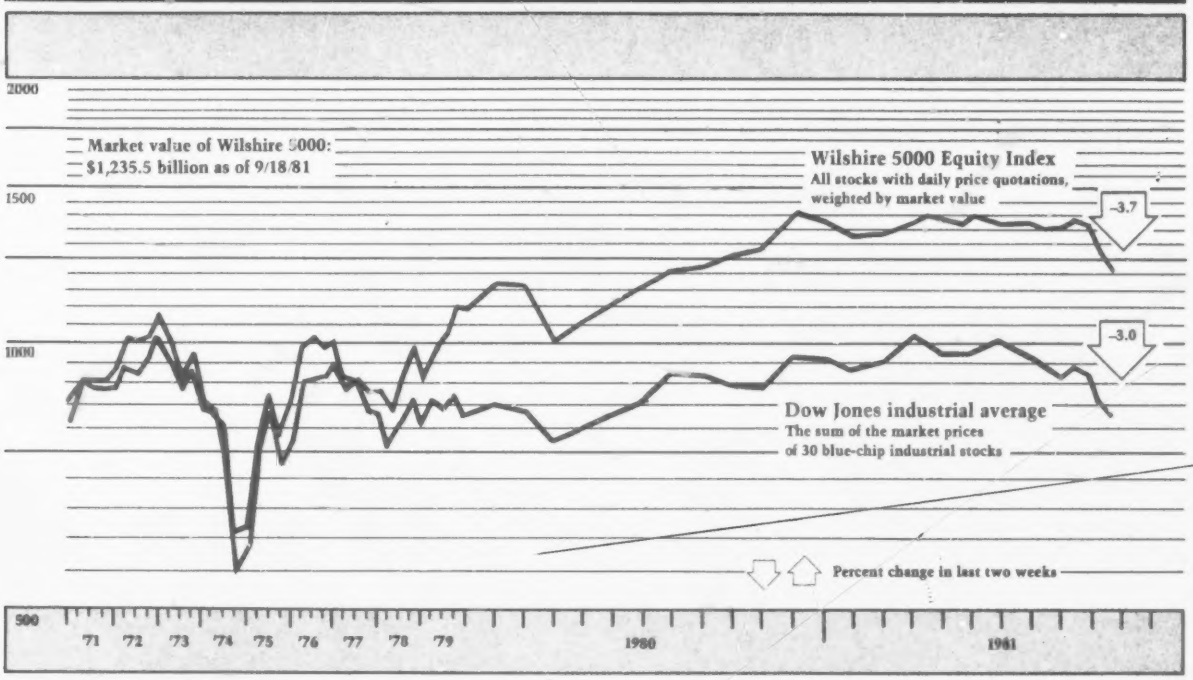
Why quibble over a mere $10 billion? Wouldn't that stimulate housing? Perhaps. But as the law stands, there's little chance that anything like $238 billion will find its way into All Savers. Even if it does, S&Ls will do well to get half the money.

billion of lost revenue (\$238 billion x 15% x 40%). If the S&Ls pay an average of 12% on All Savers, they benefit by 3%: a benefit to them of $3.57 billion ($119 billion x 3%). But the Treasury, remember, will lose 4 times that amount.

Savings and loan lobbyists try to gloss over concerns like these with supply-side calculations designed to show that helping their industry will stimulate so much activity that tax revenues will barely suffer. (These supply-side numbers are not to be confused with the $4.1 billion tax-loss projection. It's a different study.) But among other things, the supply-side calculations don't allow for the fact that the mortgage loans the S&Ls claim they will make with All Savers money will produce interest tax deductions for borrowers. The murky gets murkier.

What does all this mean? If Congress wants to help S&Ls, fine. But we thought the idea of throwing billions of dollars at problems to solve them by osmosis was supposed to have gone out with Jimmy Carter and the Democrats. ■

The Forbes/Wilshire 5000 Review


2000
1500
1000
500
Market value of Wilshire 5000:
$1,235.5 billion as of 9/18/81
Wilshire 5000 Equity Index
All stocks with daily price quotations, weighted by market value
-3.7
-3.0
Dow Jones industrial average
The sum of the market prices of 30 blue-chip industrial stocks
Percent change in last two weeks
71 72 73 74 75 76 77 78 79 1980 1981

When will the fall be over? Until then, each new low prompts another round of margin calls and the slump feeds itself. Still, daily trading volume in this bear market has tended to be on the low side. Several analysts believe that the market needs to purge itself before bottoming out. So expect a heavy volume of selling before any rally.

While overall market performance over the last four weeks has been dismal, the ASE stocks were hit hardest. The NYSE index was off 10.4%, about in line with the 11% loss registered by the Wilshire. But the ASE market value index fell a hefty 17.6%—a reflection of weakness in both secondary issues and in oils. The slump in the Wilshire translates into a $154 billion loss in value.

As our Statistical Spotlight on page 264 illustrates, secondary stocks have taken the biggest beating. During the last four weeks low-yield, high-growth and high-volatility securities have had much greater setbacks than their more conservative counterparts. The good news is that many secondary stocks are now descending to bargain levels. Now is the time to start shopping securities.

The curse of high interest levels, of course, is what is keeping investors away. Given this summer's succession of false peaks in the money markets, it will take more than just a slight decline in the prime to spark a spree on Wall Street. So don't be in a big rush to snap up equities at a discount today. Prices could get even cheaper.

Close-up On The Equity Markets

Performance of five leading indexes

Percent change	Wilshire 5000	Dow Jones industrials	NYSE Composite	ASE Market Value Index	NASDAQ Composite
in last 4 weeks	-11.0	-9.2	-10.4	-17.6	-10.9
in last 52 weeks	-9.3	-13.2	-10.1	-11.7	-5.7

Stock performance based on five key investor yardsticks

Percent change	Volatility *		P/E multiple		Dividend yield		Growth profile †		Share price	
	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	-13.9	-5.2	-15.4	-9.2	-5.6	-11.2	-14.3	-7.3	-10.5	-10.6
in last 52 weeks	-7.1	4.7	-10.0	-1.7	-2.5	8.2	-5.9	1.2	-9.2	3.7

* A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations; low-volatility issues are more stable.

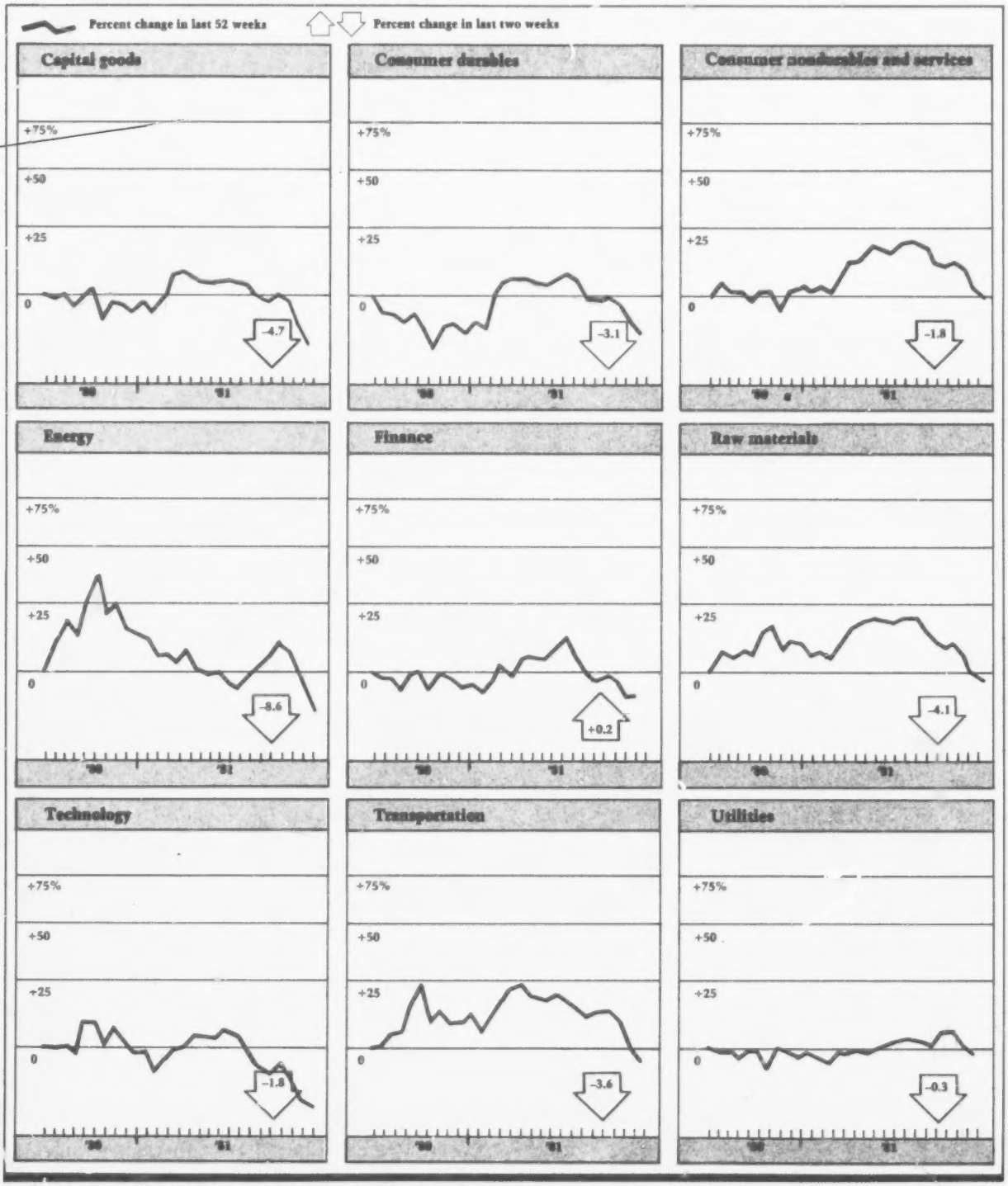
† A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 9/18/81. Prepared by Wilshire Associates, Santa Monica, Calif.

It was a rough two weeks. Eight of nine sectors fell further behind. Only finance bucked the trend. A rash of S&L mergers buoyed hopes for the recovery of this industry and produced a slim 0.2% gain. While high interest rates are hurting lending institutions, however, they make utilities look attractive. These stocks registered a 0.3% setback, while energy companies, hit hard, lost 8.6%.

In previous weeks, technology stocks have generally underperformed the market by a wide margin. Although this group lost another 1.8% during the current period, it fared much better than the major market indicators—a sign that things could be moderating.

Two weeks ago three sectors still showed gains for the past year. All are in the red now. This is a clear sign that the market decline is widespread. But all stocks are not treated with the same disdain. Technology companies are down by 18.9%, while utilities are in the red by only 1%.



Note: All data for periods ending 9/18/81. Prepared by Wilshire Associates, Santa Monica, Calif.

Bear market pickings: the New York Stock Exchange

Here are the 25 companies that fared best during the recent market decline and the 25 that fared worst. If an old market adage is correct, there are choice investment opportunities to be found on both lists.

The best performers

Company/principal business	% change since June 11, 1981	Recent price	52-week price range	—Latest 12-month— earnings per share	price/ earnings ratio	Dividend	Yield	Book value per share
Southland Royalty/oil and gas	47%	34	41 –21	$0.65	52.3	$ .04	0.1%	$ 2.17
Copperweld/specialty steel	29	39½	47½–19¼	5.08	7.7	1.60	4.1	27.70
Pioneer Corp/oil and gas	26	27½	33⅜–21⅝	2.74	10.0	0.88	3.2	8.99
Amalgamated Sugar/sugar	25	43⅜	66⅞–29	13.92	3.1	6.25	14.3	54.25
McDermott/oilfield services	21	34¼	46⅝–27	3.20	10.8	1.60	4.6	19.90
RAMPAC/REIT	20	26¼	27¼–17⅞	1.42	18.4	1.80	6.9	17.82
Marathon Oil/oil	19	59⅝	82½–44¼	4.83	12.3	2.00	3.3	32.96
Pacific Tel & Tel/telecommunications	19	16⅛	17¼–11¾	1.76	9.1	1.40	8.7	21.58
Chicago & NW Transp/railroad	17	32½	36⅛–14	3.99	8.1	—	—	d
Enserch/oil and gas	17	29⅛	40 –23⅛	3.30	8.8	1.36	4.7	14.96
Salant/apparel	16	9	9¾– 6⅛	0.86	10.4	—	—	16.04
Mountain Fuel Supply/natural gas	15	37	53⅜–30½	3.44	10.8	2.44	6.6	31.75
El Paso/natural gas	14	25	29½–19¼	1.89	13.2	1.48	5.9	9.16
North American Coal/coal mining	14	31⅜	45 –26⅜	0.85	36.9	0.72	2.3	24.32
Standard Oil of Calif/oil	13	41½	51¾–35⅛	7.37	5.6	2.40	5.8	35.12
Dreyfus/finance	12	18¼	20 –14⅛	2.94	6.3	0.82	4.4	6.93
Dome Mines/gold mining	11	23¼	32⅞–17¼	1.49	15.6	0.19	0.8	4.90
Fotomat/film processing	11	8½	9⅞– 5¾	0.04	NM	—	—	4.59
Gen Amer Oil Co of Texas/oil and gas	11	39⅝	61 –34	2.11	18.7	0.44	1.1	16.36
Kaneb Services/oilfield services	11	22⅛	40⅛–19⅛	2.40	9.2	1.00	4.5	12.48
Southern Natural Res/natural gas	11	32¼	37¼–27	3.83	8.4	1.10	3.4	21.62
Union Oil of Calif/oil and gas	11	35½	56½–28¼	3.82	9.2	0.80	2.3	21.73
United Energy Resources/natural gas	11	44½	56 –37½	7.28	6.1	1.92	4.3	28.96
United Guaranty/finance	10	34⅛	34¾–24¾	3.03	11.2	0.40	1.2	21.07
Williams Cos/fertilizer	9	30½	49⅞–25¼	4.56	6.6	1.20	3.9	31.92

The worst performers

Company/principal business	% change since June 11, 1981	Recent price	52-week price range	—Latest 12-month— earnings per share	price/ earnings ratio	Dividend	Yield	Book value per share
National Medical Care/health care svs	–56	9⅞	25⅞–10	1.39	7.1	0.46	4.7	4.68
AVX/electronics	–53	16½	45 –15⅝	d 0.02	NM	0.32	1.9	13.62
Prime Computer/computer equipment	–51	22⅛	49¼–21	1.19	18.5	—	—	4.03
Data Terminal Sys/electronic registers	–50	8⅝	28⅝– 8	d 2.57	NM	—	—	7.68
Gerber Scientific/computer equipment	–49	13¼	28½–12¼	1.00	13.2	0.12	0.9	5.43
Filmways/publishing,TV programs	–48	3⅞	10⅝– 3¾	d 10.54	NM	—	—	d
Mesta Machine/machinery	–48	7¼	18 – 7¼	d 35.80	NM	—	—	7.51
Mohawk Data Sciences/computer equip	–47	13⅞	31¾–11⅞	1.21	11.4	—	—	11.22
PSA/airline	–46	20¼	42½–20½	0.09	NM	0.60	2.9	28.90
Safeguard Sciences/electronics	–46	7⅝	15⅛– 4¼	0.26	29.3	—	—	5.73
Intl Harvester/agricultural equipment	–45	9⅝	35 – 8⅛	d 8.64	NM	—	—	53.30
Ramada Inns/hotels, casinos	–45	6⅛	11⅞– 5⅞	0.77	8.2	0.12	1.9	6.30
Deltona/develops land	–44	10½	19⅝– 9⅜	1.53	6.8	—	—	14.20
Republic Airlines/airline	–43	6	11⅝– 5¼	d 1.11	NM	0.10	1.7	4.51
Itek/precision instruments	–42	22½	42⅛–19¾	2.36	9.5	0.30	1.3	30.43
USAir/airline	–42	14⅝	26⅛–13¾	4.61	3.1	0.12	0.8	18.36
Veeco Instruments/electrical equip	–42	18⅛	33¾–17½	1.11	16.5	0.20	1.1	5.20
Arlen Realty & Development/real estate	–41	1⅝	4½– 1⅝	0.39	4.1	—	—	d
Compugraphic/photo typesetting	–41	13¾	31⅝–11¾	0.18	NM	—	—	19.39
Envirotech/pollution contr & mng equip	–41	8⅝	19⅛– 7⅝	d 1.16	NM	—	—	22.28
GenRad/electronics	–41	14⅜	33⅛–12⅜	0.74	19.4	0.08	0.6	9.75
Sav-A-Stop/retail	–41	9⅛	17⅛– 7⅝	1.42	6.4	0.10	1.1	9.19
Watkins-Johnson/electronics	–41	22	40 –20⅝	2.20	10.0	0.48	2.2	21.40
Allis-Chalmers/agricultural equip	–40	16¼	37⅛–15½	2.33	6.9	1.00	6.2	49.66
Sullair/machinery	–40	14⅜	35⅝–12	0.83	17.3	0.32	2.2	7.72

d: deficit. NM: not meaningful

Source: Standard & Poor's, Rapidata

Bear market pickings: the American Stock Exchange

Here are the 25 companies that fared best during the recent market decline and the 25 that fared worst. If an old market adage is correct, there are choice investment opportunities to be found on both lists.

The best performers

Company/principal business	% change since June 11, 1981	Recent price	52 week price range	—Latest 12-month— earnings per share	price/ earnings ratio	Dividend	Yield	Book value per share
North Canadian Oils/oil and gas	65%	24½	29⅜–13¼	$1.91	12.8	—	—	$ 7.30
Volume Merchandise/retail	52	6¼	6½– 3⅞	1.34	4.6	0.13	2.0	11.00
Supron Energy/oil and gas expl, dev	43	29¾	36¼–15¾	0.83	35.8	0.12	0.4	4.08
Yankee Oil & Gas/oil and gas	43	15½	20 –10½	1.00	15.5	—	—	2.59
CMI/construction equipment	39	19½	22½– 5⅜	0.64	30.4	0.05	0.3	7.64
BRT Realty Trust/REIT	33	2	2⅝– 1¼	d 0.69	NM	—	—	1.59
Crawford Energy/energy	33	9½	10⅞– 7⅝	0.95	10.0	—	—	0.84
Sanmark-Stardust/apparel	32	3⅛	3¾– 2¼	0.05	62.4	—	—	1.32
Seaboard Allied Milling/food processing	32	26¼	34 –18⅜	4.38	5.9	0.50	1.9	39.57
Porta Systems/telecomm equip	31	17⅝	23¾–14¾	0.50	35.2	—	—	6.79
Adobe Oil & Gas/oil and gas	29	36	45¼–26½	1.51	23.8	0.20	0.6	8.11
Noel Industries/apparel	29	6⅛	6⅞– 2⅜	1.06	5.7	—	—	5.66
Standard Products/rubber and plastic	27	20¾	23½–10¾	4.12	5.0	0.60	2.9	29.72
Heldor Industries/swimming pools	24	9	10⅝– 8	0.85	10.5	—	—	2.53
Juniper Petroleum/oil and gas	23	15⅞	28 –11⅛	0.72	22.0	—	—	4.34
Pep Boys-Manny Moe Jack/retail	23	55½	60¼–34¾	7.61	7.2	1.20	2.2	45.27
Grubb & Ellis/real estate	22	4⅛	4½– 2⅜	0.22	18.7	—	—	13.69
United Cos Financial/finance	22	24	24½–12⅞	2.40	10.0	0.84	3.5	20.89
Guardsman Chemicals/spec chemicals	19	12¾	15¼–10⅜	0.90	14.2	0.55	4.3	8.68
Hudson's Bay Oil & Gas/oil and gas	19	34⅝	39¼–17½	1.41	24.6	0.27	0.8	7.58
Post/newspapers, broadcasting	19	24	31⅞–15⅜	1.55	15.4	0.40	1.7	0.31
Vertipile/textiles	19	5½	6¼– 3⅝	0.98	5.6	0.15	2.7	5.09
XOIL Energy Resources/oil and gas	19	17¼	17½–14	0.17	NM	—	—	1.25
American Biltrite/footwear	18	10¾	12⅞– 6¼	0.68	15.8	0.30	2.8	16.44
Numac Oil & Gas/oil and gas	18	28½	32¾–20¼	0.34	NM	0.17	0.6	5.99

The worst performers

Company/principal business	% change since June 11, 1981	Recent price	52-week price range	—Latest 12-month— earnings per share	price/ earnings ratio	Dividend	Yield	Book value per share
Data Access Systems/computer equip	–64%	5⅝	24⅛– 5¼	$ 1.31	4.2	$0.20	3.6%	$7.19
Instrument Sys/bldg and comm equip	–58	3¼	12½– 3	d 2.06	NM	—	—	3.11
EECO/electronics	–54	7⅜	19 – 7	0.69	10.6	0.24	3.3	8.11
Vermont Research/computer equip	–52	12¼	35½–12¼	1.63	7.5	0.15	1.2	3.41
Bolt, Beranek & Newman/consulting	–51	10¼	25 – 8½	0.44	23.2	0.28	2.7	10.65
ATI/packaging	–50	1	2⅜– 1	d 0.93	NM	—	—	0.68
Coradian/telecomm equip	–48	5⅝	12¼– 4⅞	d 0.51	NM	—	—	2.72
Adams Resources & Energy/energy	–47	15⅞	35¼–14⅝	d 0.96	NM	—	—	4.21
Bradford National/computer services	–47	7¾	15⅝– 7	0.73	10.6	0.26	3.4	10.32
Aeronca/aerospace	–46	3¼	9⅜– 3	0.01	NM	—	—	2.36
Air Express Intl/freight forwarding	–46	8⅞	24⅝– 8¾	1.19	7.4	0.20	2.3	4.34
Anderson Jacobson/computer equip	–45	12⅛	25½–10¼	0.64	18.9	—	—	6.87
Willcox & Gibbs/sewing equip	–45	2	4 – 1⅞	0.45	4.4	—	—	4.07
Campanelli Industries/building	–44	3½	12 – 3¼	0.10	35.0	—	—	8.99
CompuDyne/communications	–44	5⅓	10¾– 5	1.20	4.4	—	—	6.09
De Rose Industries/mfrd homes	–44	2¼	5⅛– 1⅞	0.03	75.0	—	—	1.46
Refinemet Intl/metal reclamation	–44	5½	14 – 4⅞	0.37	14.8	—	—	2.95
Solid State Scientific/electronics	–44	7½	24 – 6	0.66	11.3	—	—	7.04
Systems Planning/engineering	–44	4⅜	9½– 4⅛	0.64	6.8	0.24	5.5	7.10
Topaz/computer equipment	–44	11¼	19¾–11	0.66	17.0	0.08	0.7	3.86
Acton/food processing	–43	11½	21⅞–10⅞	1.13	10.1	0.40	3.5	6.82
Applied Data Research/computer svs	–43	13	25¼–13	1.32	9.8	—	—	6.58
Applied Devices/electronics	–43	3	6 – 2⅝	d 0.36	NM	—	—	0.01
Fair-Tex Mills/textiles	–43	1½	5⅜– 1⅛	d 0.40	NM	—	—	7.67
Salem/industrial equipment	–43	8¼	18½– 8¼	0.17	48.5	0.40	4.8	11.16

d: deficit. NM: not meaningful. *Source: Standard & Poor's, Rapidata.*

Bear market pickings: over-the-counter stocks

Here are the 25 companies that fared best during the recent market decline and the 25 that fared worst. If an old market adage is correct, there are choice investment opportunities to be found on both lists.

The best performers

Company/principal business	% change since June 11, 1981	Recent price	52-week price range	—Latest 12-month— earnings per share	price/ earnings ratio	Dividend	Yield	Book value per share
Trans Western Exploration/oil and gas	112%	13	14⅝– 4¼	$d 0.15	NM	—	—	$ 0.90
Delta Queen Steamship/recreation	91	8⅛	8⅛– 3⅛*	0.43	18.9	—	—	8.77
Versa Technologies/rubber and fluids	59	18½	19 – 8⅞*	1.29	14.3	$0.24	1.3%	6.65
Advanced Monitoring Sys/prec instr	58	9½	11⅛– ¾	d 0.09	NM	—	—	0.10
Genova/building materials	53	2⅞	3 – 1⅝*	d 0.36	NM	—	—	3.67
First Colony Life Ins/insurance	49	61	67½–30	3.28	18.5	0.80	1.3	21.63
Patrick Industries/building materials	42	3⅜	3⅞– 1⅜*	d 0.12	NM	—	—	4.43
Service Fracturing/oilfield svs	38	21¾	28½–15½	1.05	20.7	—	—	5.73
Woodward & Lothrop/retail	38	36¼	40½–19¼	4.24	8.5	1.70	4.7	40.92
Lane Wood/multicompany	36	3¼	4⅝– 1⅝*	0.30	12.5	—	—	4.63
Data Packaging/packaging	35	8¼	8¼– 5¾*	0.46	17.9	—	—	9.36
Hart Exploration & Production/oil & gas	33	4 1/16	5⅜– 2⅞*	d 0.10	NM	—	—	0.48
Snelling & Snelling/personnel agencies	32	6¼	8½– 4*	1.07	5.8	0.17	2.7	4.60
President Brand Gold Mng ADR/gold	31	45¼	59¾–27*	18.66	2.4	7.03	15.5	NA
Victoria Bankshares/banking	31	32½	32½–20*	3.50	9.2	0.80	2.5	23.05
Jones & Vining/footwear materials	29	4½	6 – 3⅜*	0.94	4.7	—	—	6.25
Transport Life Insurance/insurance	29	16¼	15½– 7½	1.72	9.4	—	—	6.50
Fey Industries/promotional products	28	2⅞	3¼– 2*	0.50	5.7	0.24	8.3	1.57
Wolverine Aluminum/aluminum siding	27	9⅞	14¼– 7½	0.28	35.2	0.20	2.0	14.31
Hamilton Bros Petroleum/oil and gas	26	26½	30 –16⅛	1.95	13.5	0.10	0.4	10.26
Consolidated Accessories/apparel	25	10	10 – 6¾*	1.56	6.4	0.24	2.4	20.18
National Color Labs/photoprocessing	25	3⅛	3⅛– 2½*	0.50	6.2	0.06	1.9	3.36
Amer Medical Prods/health care equip	24	6½	7¼– 2⅜*	0.20	32.5	0.05	0.8	0.52
Citytrust Bancorp/banking	24	20½	22½–12¾	3.75	5.4	1.16	5.7	28.32
Manning May Oil/oil and gas	24	4½	8½– 3¼	d 0.20	NM	—	—	0.46

The worst performers

Company/principal business	% change since June 11, 1981	Recent price	52-week price range	—Latest 12-month— earnings per share	price/ earnings ratio	Dividend	Yield	Book value per share
APF Electronics/electronics	– 91%	¼	13 – ¼	$d 2.98	NM	—	—	$0.73
Solid State Tech/computer equip	– 84	15/16	14¼– 5⅛	d 1.28	NM	—	—	0.03
Osrow Products/household products	– 81	⅝	4⅝– ⅜	d 0.34	NM	—	—	0.78
Bunnington/metal fabrication	– 78	2¾	12½– 2½	d 0.76	NM	—	—	1.01
Aerosonic/aerospace	– 77	2¾	12⅜– 2½	0.10	27.5	—	—	1.52
FSC/finance, refining	– 76	⅝	4¾– ½	d 3.23	NM	—	—	1.43
Dash Inds/textiles, computer equip	– 70	⅞	5⅛– ⅝	d 0.03	NM	—	—	0.71
Specialized Systems/telecomm equip	– 69	4¼	15⅛– 4¼*	d 0.37	NM	—	—	0.82
Renal Devices/health care equipment	– 66	2⅛	7⅝– 2⅛*	d 2.79	NM	—	—	0.51
Standard Logic/computer equipment	– 65	3⅝	12⅝– 3⅜	d 0.41	NM	—	—	0.91
Bonanza International/restaurants	– 64	2⅜	6⅞– 2⅜	d 0.29	NM	—	—	4.11
Horizons Research/photo supplies	– 64	3¼	9½– 3¼*	0.43	7.5	—	—	1.39
Maxon Industries/industrial equipment	– 64	1¼	6½– ¾*	d 4.36	NM	—	—	0.93
Mini-Computer Sys/computer equip	– 64	1⅛	4¼– 1⅛	d 2.79	NM	—	—	0.20
Reliable Investors/insurance	– 64	1¾	15 – ¾	d 4.93	NM	—	—	5.79
Natl Environ Contr/waste mgmt	– 63	1⅜	4⅝– 1⅜	0.04	34.2	—	—	0.56
CGA Computer Assoc/computer svs	– 62	5	16½– 5	0.63	7.9	—	—	3.77
Computer Magnetics/electrical equip	– 62	2¾	8 – 2¾*	0.38	7.2	—	—	1.81
Infotron Systems/telecomm equip	– 61	15½	45 –14½	0.67	23.1	—	—	4.40
Vacation Spa Resort/recreation	– 61	¾	2¾– ¾*	0.08	9.3	—	—	0.24
Executive House/hotels	– 60	½	1¾– ½*	0.09	5.5	—	—	0.30
Levin Computer/computer leasing	– 58	1⅝	5⅝– 1⅝*	d 0.08	NM	—	—	1.79
Nu-Med Systems/financial svs	– 58	2⅛	8 – 1⅞	d 0.43	NM	—	—	0.08
Biotech Research Lab/biotechnology	– 57	12¼	28½– 6¼*	0.02	NM	—	—	1.68
Randando Oil & Minerals/oil and gas	– 57	1⅞	8½– 1⅝	d 0.11	NM	—	—	0.86

*1981 range. d: deficit. NA: Not available. NM: not meaningful.

Source: Standard & Poor's, Rapidata

NOTE

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